

# M e m o r a n d u m

To: Panel Members Date: September 22, 2006

From: Diana Torres, Manager Analyst: S.M. Godin

Subject: One-Step Agreement for **UNIVERSITY OF SAN DIEGO - DIVISION OF CONTINUING EDUCATION**

## **CONTRACTOR:**

- Multiple Employer: Training Agency
- Training Project Profile: Entrepreneurial Training
- Type of Industry: Various Small Business Owners

## **CONTRACT:**

- Program Costs: \$73,600
- Multiple Employer Support (8%) \$5,100
- Total ETP Funding: \$78,700
- Employer Contribution: \$52,447
- County(ies) Served: San Diego
- Average Cost Per Trainee \$983.75
- Number Trainees to Retain 80
- Training Menu Small Business Entrepreneurial Skills
- Range of Hours 8 to 40
- Subcontractors None
- Third Party Services None

## **INTRODUCTION:**

The University of San Diego (USD) was chartered in 1949 as an independent Catholic Institution. USD's Division of Continuing Education opened its doors to the public in 1974 and provides a variety of educational programs catering to working professionals such as the USD Family Business Forum, certificate programs, seminars and workshops, and community-outreach programs. USD is eligible to contract with ETP under California Unemployment Insurance Code Section 10205(c) (2) as a training agency. The proposed entrepreneurial training addresses the business needs of small business owners employing at least one full-time employee and no more than nine employees as required by ETP.

Data gathered from the City of San Diego's Economic Development Division shows that more than 75,000 small businesses hold a business license within the city. Of those 75,000 businesses, 75 percent (56,000) employ ten or fewer employees. The objective of the USD Entrepreneurial Training Program is to provide small business owners with competitive business management skills needed to successfully manage and grow a small business to a higher level of financial success.

USD representatives met with and surveyed regional and local Chambers of Commerce; ethnic business associations; government affiliated business organizations; community based business development organizations, and financial institutions that deliver professional services to small businesses in San Diego County to identify areas where small business owners lacked the skills, knowledge, and training to successfully manage a business, remain viable and expand its market shares.

The information collected shows that many owners started their businesses with little or no formal business training, operate in a month-to-month "survival mode" and have never developed a strategic or long range expansion plan. The proposed entrepreneurial training program, entitled USD's High Performance Management Training Program (HPMTP), will attempt to eliminate these skill gaps by providing its participants with concise customized skills in business, management, planning, marketing, and software applications needed to manage and grow a business.

The HPMTP curriculum contains three training modules. The first module will introduce small business owners to the concept of high performance business management and provide participants with a fundamental framework for understanding the core competencies needed to compete as a small business owner.

Module two will provide trainees with the skills to develop a daily operations system. Trainees will learn how to develop and implement a fiscal control system; how to obtain business financing; the importance of implementing a turnkey business operations system, and its relationship to high performance business capabilities.

**INTRODUCTION:** (continued)

The third and final module will concentrate on imparting the necessary tools to grow a successful small business through effective marketing and sales strategies; as well as the importance of delivering quality customer service. Emphasis will also be placed on the use of internet technology to market, sell and service customers effectively.

With the assistance of the ETP, USD will train the owners of some 80 retail, manufacturing, and service businesses located in San Diego County. Many of these small businesses are among the "targeted industries" identified by the Panel in its 2006 Strategic Plan.

**COMMENTS/ISSUES:**

The potential contractor's representative states that each small business owner participating in the USD's Entrepreneurial Training Program will be charged a flat fee of up to \$350.00 to cover additional training costs not covered by the ETP fixed fee reimbursement. This type of charge is allowed for entrepreneurial training as an exception to the Panel's general rule that trainees cannot be charged for the cost of training. (See T.22, C.C. R. Section 4412.1(d).)

**RECOMMENDATION:**

Staff recommends that the Panel approve the Agreement, based on USD's stated need that formal training will provide small business owners in San Diego County with competitive business management skills needed to successfully manage and grow a small business to a higher level of financial success.